

FELIPE VALENCIA–CAICEDO (ED.), *ROOTS OF UNDERDEVELOPMENT: A NEW ECONOMIC (AND POLITICAL) HISTORY OF LATIN AMERICA AND THE CARIBBEAN*, PALGRAVE MACMILLAN , 2023, 585 PP., ISBN 9783031387227

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The publication of *Roots of Underdevelopment*, edited by Felipe Valencia–Caicedo (2023), coincides with a significant moment in economic history, marked by two recent Nobel Prizes awarded for contributions to this field. In 2023, Claudia Goldin received the Prize for her contributions to the historical causes of the gender gap and its change during the last centuries, as well as the primary sources of the remaining gender gap. In 2024, Acemoglu, Johnson, and Robinson received recognition for their contribution to understanding the deep causes of economic development.

These two Nobel Prizes are the (current) peak point of an explosion in the empirical literature developing during the last quarter of the century. This broad and exciting literature deals with what has been called the “big questions” on economic development, taking advantage of the tools provided by the “Credibility Revolution” in the field (Margo, 2021; Cioni et al., 2021).²

In this case, researchers use history similarly to how scientists use labs to show evidence of causality. Some examples (and among my favorites) from this vast literature go from the legacy of slavery to economic growth and trust in African countries (Nunn, 2008; Nunn & Wantchekon, 2011) to the short, mid, and long-term effects of the “Sherman March” on affected counties in the US South (Feigenbaum et al., 2022), among many others, the persistent effects of colonial institutions in Latin America (Dell, 2010; Bruhm & Gallego, 2012; Valencia–Caicedo, 2019).

While much of this literature focuses on global trends, Latin America’s unique historical and institutional context makes it an especially rich area for study, as exemplified by this book. As could be expected from our history, a large portion of the literature delves into the causes of current levels of development, such as inequality, corruption, and social unrest. However, there was not a good book that summarized this literature or put a particular emphasis on the region before Valencia’s book. And I think that is its main contribution and achievement. There is now no better starting point for a reader interested in how this literature has developed for the Latin American case than this book. Here, Valencia’s mastery is shown in the dedication to selecting the contributors to the book.

In the book, we can see an empirical paper on the economics of almost every country in the region, which shows the remarkable effort to increase the coverage of the cases of analysis beyond the most documented and better-studied countries. Also, the author does not favor any moment in history or methodological approach (if it is quantitative). We can find this in descriptive studies and econometric ones. This effort is fruitful for readers who are starting to grasp this literature (as could be students) and for economic history professors looking for examples for their classes. Naturally, the book is also valuable for researchers beginning to explore specific countries or the region as a whole.

The book spans a wide range of countries in Latin America and the Caribbean, covering nearly the entire region (a regrettable exception is the Caribbean islands, where only the case of Puerto Rico is included). For example, the Andes are represented through contributions to Bolivia, Ecuador, and Peru, focusing

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² See Goldsmith–Pinkham (2024) for a recent revision on the monumental impact of this revolution on the main research topics in Economics.

on themes like colonial institutions, revolutions, and education. In Central America,³ selected chapters explore topics highly relevant to the region, such as the role of the Agrarian Reform and large agro-export firms (such as the United Fruit Company). The Caribbean is examined through discussions on slavery, plantation economies, and post-independence economic trajectories. Meanwhile, Brazil and other tropical regions analyze broader issues such as industrialization, urbanization, and the long-term effects of inequality. Naturally, the larger countries and more developed countries⁴ are covered, and for each we can see a brief case study of a relevant research topic in the country.

Each paper in the book has its merit and deserves individual recognition. Due to brevity and personal preference, I will briefly discuss two that have impressed me most: Peres-Cajías (2023) and Rivadeneira (2023), in Bolivia and Ecuador, respectively. Both are clear examples of how diverse is the type of ‘New Economic and Political History’ the author refers to in the title. The first uses new descriptive data to discuss a highly debated topic in Bolivia: the role of the 1952 Revolution in the increase in educational outcomes in the country. The second uses an econometric method (instrumental variables) to estimate the long-term causal effect of an extractive colonial institution, ‘concertaje,’ which forced local indigenous people to work for haciendas on present-day outcomes.

Even when focusing on a relatively homogenous subregion like the Andes—with its shared Inca and Spanish dominance—one observes considerable heterogeneity in methods and historical periods of interest. This thematic and geographical diversity ensures that each chapter brings a fresh perspective, inviting readers to seek additional sources to complement their understanding. This makes the book (and all the following volumes) a particularly stimulating and enriching experience.

Finally, it is worth mentioning that the aforementioned explosion in historical literature has not been exempt from critiques, many of which are also relevant to the studies included in Valencia-Caicedo’s book. Recently, Arroyo-Abad & Maurer (2021) provided a critical review of the persistence literature, pointing out its tendency to overemphasize historical determinism, which risks portraying societies as ‘trapped’ by their past while overlooking episodes of transformation and the role of contemporary policies. They also highlight the need for greater attention to region-specific dynamics, particularly in Latin America, where diverse colonial legacies and integration into global markets shaped unique trajectories.

These critiques enrich the field by advocating for a more nuanced and context-sensitive approach, and initiatives like ‘Roots of Underdevelopment’ help to address these challenges by providing a comprehensive and accessible overview of Latin America’s economic history, offering insights into the region’s past while contributing to broader debates in the field.

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4 Brazil, Argentina, Mexico, Colombia, Chile, Uruguay, and Venezuela.

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